

LNF & IHCIF Calculations Illustration

- ROUND VALLEY in California area -

Given Data

- 1,184 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 55% = % Expenditures on purchased services, 45% = % expenditures in-house
- 109.6% = Cost index for purchasing health care in this geographic area
- 133.4% = Size cost index for in-house costs due to small or large size
- 95.9% = California area cost index for health status above or below average

Cost Adjustment Calculations

- \$1,797 per person for purchased services = $55\% * 109.6\% * \$2,980$
- \$1,788 per person for in-house services = $45\% * 133.4\% * \$2,980$
- \$3,585 per person total = \$1,797 (purchase) + \$1,788 (in-house)
- **\$3,439 per person total** adjusted for health status = $\$3,585 * 95.9\%$
- **\$2,694 per person net cost** = $\$3,439 - \745 Other resources (M&M&PI)

Existing Expenditures (for 1,184 users excluding wrap-around and collections)

- \$989 per person = local IHS allowance (excludes \$ for wrap-around)
- \$222 per person = expenditures elsewhere in California area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,265 per person for OU users** = $\$989 + \$222 + \$54$

LNF Calculation

- **36.8% Gross LNF** = $\$1,265$ (expenditures) / $\$3,439$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **46.9% Net LNF** = $\$1,265 / \$2,694$ net cost ($\$3,439 - \745 other)

IHCIF Allocation

- \$416,541 = \$ to raise LNF% from 46.9% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$14,529 Allocation** = $\$416,541$ needed for 60% * 3.488% IHCIF fraction

ROUND VALLEY Unmet Needs

- **\$3,189,923 Net Total Need** = $1,184$ users * $\$2,694$ net cost
- **\$1,692,510 Net Unmet Need** = $(100\% - 46.9\% \text{ LNF}) * 1,184$ users * $\$2,694$ net cost